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AF/ 3622 f ifa

PATENT
Customer No. 22,852
Attorney Docket No. 7027-0001-01

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of:)	
)	
FRIED, David)	Group Art Unit: 3622
)	
Application No.: 09/613,153)	Examiner: RETTA, Y.
)	
Filed: July 6, 2000)	
)	
For: COMPUTERIZED SYSTEM AND)	
METHOD FOR CREATING A)	
BUYBACK STOCK INVESTMENT)	
REPORT)	

Mail Stop Appeal Brief --Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

APPEAL BRIEF UNDER 37 C.F.R. § 1.192

In support of its Notice of Appeal filed May 7, 2004, and pursuant to 37 C.F.R. § 1.192, Appellant presents in triplicate this Appeal Brief accompanied by a check in the amount of \$320.00 to satisfy the fee under 37 C.F.R. § 1.17(c). This is an appeal to the Board of Patent Appeals and Interferences from a decision finally rejecting claims 21-81 of this reissue application. The appealed claims 21-81 are set forth in the attached APPENDIX.

If additional fees are required or if the enclosed payment is insufficient, please charge the deficiencies to Deposit Account No. 06-0916. If a fee is required for an

extension of time under 37 C.F.R. § 1.136 and such fee is not accounted for above, Appellant petitions for such an extension and requests that the fee be charged to Deposit Account No. 06-0916.

I. REAL PARTY IN INTEREST

The real party in interest is the inventor, David R. FRIED, a resident of California.

II. RELATED APPEALS AND INTERFERENCES

There are no known related pending appeals or interferences directly affected by or having a bearing on a decision in the pending appeal.

III. STATUS OF CLAIMS

Original, patented claims 1-20 remain allowed and reissue claims 21-81 have been finally rejected and are the subject of this appeal. All of the claims are set forth in the attached APPENDIX.

In the Final Office Action dated February 10, 2004, the Examiner rejected claims 21-81 under 35 U.S.C. § 112, ¶ 1,¹ as failing to comply with the written description requirement. The Examiner also rejected claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 as being an improper recapture of subject matter surrendered in the application (serial no. 09/030,854)² for the patent (No. 6,035,286)³

1. Although the Examiner listed claims 21-80 in the listing of rejected claims on page 4 of the Office Action, the Examiner also addressed claim 81 on page 5 of the Office Action. Accordingly, the Appellant believes that the Examiner intended to include claim 81 in this rejection.

2. This application is also referred to herein as the "854 application."

upon which the present reissue application is based. The Examiner indicated, however, that rejected claims 22-23, 32-33, 42-43, 52-53, 62-63, and 72-73 would be allowable if they were rewritten to overcome the rejection under 35 U.S.C. § 112, ¶ 2, and to include all of the limitations of the base claim and any intervening claims.⁴

IV. STATUS OF AMENDMENTS

Appellant filed an amendment on December 10, 2001, adding claims 51-80, and another amendment on November 3, 2003, amending claims 21-23, 31-33, 41-43, 51-53, 61-63 and 71-73, and adding claim 81, as indicated in the attached APPENDIX.

V. SUMMARY OF INVENTION

Investment strategies concern strategies used by investors when selecting investment opportunities. Many such strategies are currently available to investors, and investors often work with consultants in developing, maintaining, and sharing investment strategies and related investment opportunities. With many different

3. U.S. Patent No. 6,035,286 is also referred to herein as the "286 patent."

4. There appears to be two errors in the final Office Action: (1) The Office Action rejected claims 21-[81] under 35 U.S.C. § 112, ¶ 1 (Page 4) but indicated that claims 22-23, 32-33, 42-43, 52-53, 62-63, and 72-73 would be allowable if they were rewritten to overcome the rejection under 35 U.S.C. § 112, ¶ 2 (Page 7). There is no rejection of the claims under 35 U.S.C. § 112, ¶ 2, included in the Office Action. (2) The Office Action is unclear on the status of some of the claims, indicating that certain claims are both ALLOWED and REJECTED. Specifically, the "Office Action Summary" page indicates that claims 22-23, 32-33, 42-43, 52-53, 62-63, and 72-73 are ALLOWED, and Page 7 of the Office Action indicates that the same claims would be ALLOWABLE if they were rewritten to overcome the rejection under 35 U.S.C. § 112, ¶ 2. However, the Office Action also includes the ALLOWED claims 22-23, 32-33, 42-43, 52-53, 62-63, and 72-73 in the rejection of claims 21-[81] under 35 U.S.C. § 112, ¶ 1. Appellant believes that the Office Action is intended to reject claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 112, ¶ 1, and OBJECT to claims 22-23, 32-33, 42-43, 52-53, 62-63, and 72-73, and will respond accordingly.

consultants and strategies available today, consultants strive to single themselves out by focusing on the strategies that they offer and the results of implementing these strategies.

Systems and methods consistent with the present invention address the need for developing strategies for investors seeking to maximize their investment portfolios. '286 patent, col. 1, lines 54-57. Such systems and methods consider specific aspects of a company's performance, such as the company's price/sales ratio and price/earnings ratio, in addition to the percentage of stock being repurchased by the company, referred to as "selection criteria," in identifying or selecting investment opportunities. '286 patent, col. 2, lines 55-59 and col. 3, lines 46-51.⁵

According to one aspect of the invention, a computer implemented method for selecting investments or potential investments, comprises the steps of: receiving a request specifying a selection of stocks from a database of stock information ('286 patent, col. 3, lines 31-37); identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding ('286 patent, col. 3, line 46 to col. 4, line 34); and providing an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock. *Id.*; '286 patent, col. 4, lines 35-56.

5. The '286 patent includes various statements that make clear that the price/sales ratio and price/earnings ratio are values that reflect a company's performance. *See, e.g.*, '286 patent, col. 1, lines 44-45: "One such recognized value factor for predicting or analyzing company performance is the price/sales ratio."

Other aspects of the invention are recited in the allowed and appealed claims, which are fully supported by the specification.

VI. ISSUES

The issues in this Appeal are:

(1) Whether the Examiner's rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 under 35 U.S.C. § 112, ¶ 1,⁶ as failing to comply with the written description requirement because these claims do not require the use of "at least one of price/sales ratio and a price/earnings ratio" and a "buyback ratio" as criteria for screening a selection of stocks can be affirmed, when

(i) 35 U.S.C. § 112, ¶ 1 does not require that the application disclose more than the use of "at least one of price/sales ratio and a price/earnings ratio" and a "buyback ratio" as criteria for screening a selection of stocks to support the appealed independent claims that are not necessarily limited to the specific, disclosed stock selection criteria of one embodiment of the invention,

(ii) the specification fully supports claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 in that the disclosed price/sales ratio and price/earnings ratio are examples of "selection criteria" associated with performance of a company and claims 21, 24-31, 34-41, 44-50 require "generating [to generate] a report ranking a set of the identified stocks with buyback ratios based on *at least one other selection criteria associated with performance of a corresponding company*," and claims 51, 54-61, 64-71, and 74-80 require "providing [to provide]

6. See, *supra*, n. 2.

an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting *at least one other selection criteria associated with performance of a company* corresponding to the at least one selected stock, and

iii) there is no explicit disclaimer in the specification that would indicate or even suggest that the Appellant chose to limit the invention to only the use of “at least one of price/sales ratio and a price/earnings ratio” and a “buyback ratio” as criteria for screening a selection of stocks.

(2) Whether the Examiner’s rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 as an improper recapture can be affirmed, when the prosecution history of the original ‘286 patent does not support the Examiner’s contention that the Appellant admitted during that prosecution that certain recitations found in the patent claims, and not in the appealed reissue claims, were necessary to distinguish the patent claims from prior art.

VII. GROUPING OF CLAIMS

Among the claims on appeal, claims 21, 31, 41, 51, 61, 71, and 81 are the independent claims. The claims on appeal do not stand or fall together. These claims should be considered in three groups:⁷

Group I: 21, 24-31, 34-41, 44-50;

Group II: 51, 54-61, 64-71, and 74-80; and

Group III: 81.

7. See, *supra*, n. 2.

The claims have been placed in these groups due to their common subject matter. Appellant, however, is addressing the outstanding rejections in accordance with the rejections themselves instead of the above identified groupings.

VIII. SUMMARY OF ARGUMENTS

The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 under 35 U.S.C. § 112, ¶ 1, should be reversed because 35 U.S.C. § 112, ¶ 1 does not require that, in this case, the application disclose more than the use of “at least one of price/sales ratio and a price/earnings ratio” and a “buyback ratio” as criteria for screening a selection of stocks to support the appealed independent claims that are not limited to the specific, disclosed stock selection criteria. There is simply no basis in the law that supports the Examiner’s position that the specification must disclose a stock selection process considering a company’s buyback ratio and criteria other than that disclosed in the specification--i.e., a price/sales ratio or a price/earnings ratio for the company, to support claims that are not limited to such disclosed criteria. Although the Examiner stated correctly that the specification teaches using the price/sales ratio or price/earning ratio with the buyback ratio as selection criteria (*Final Office Action at 4*), the specification as a whole does not limit the invention to using only this selection criteria. The specification discloses using this selection criteria in connection with one and only one implementation of the invention. As such, the specification supports the use of other selection criteria, which is the subject of the appealed claims.

Additionally, the specification fully supports claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 in that the disclosed price/sales ratio and price/earnings ratio are

examples of “selection criteria” [a term used in the specification] associated with performance of a company. Appellant included recitation of “selection criteria” in all of the rejected claims:

Claims 21, 24-31, 34-41, 44-50 recite “generating [to generate] a report ranking a set of the identified stocks with buyback ratios based on *at least one other selection criteria associated with performance of a corresponding company*”;

Claims 51, 54-61, 64-71, and 74-80 recite “providing [to provide] an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting *at least one other selection criteria associated with performance of a company* corresponding to the at least one selected stock; and

Claim 81 recites “ranking stocks within the subset based on the *company performance ratio* for each stock, wherein the stock having the lowest company performance ratio is ranked the highest.”

Moreover, there is no explicit disclaimer in the specification that would indicate or even suggest that the Appellant chose to limit the invention to only the use of “at least one of price/sales ratio and a price/earnings ratio” and a “buyback ratio” as criteria for screening a selection of stocks. Rather, a review of the specification as a whole makes clear that the two combinations that form selection criteria ((1) price/sales ratio plus buyback ratio and (2) price/earnings ratio and buyback ratio) simply represent two implementations of the invention, albeit selection criteria (combinations) empirically proven to outperform other selection criteria (at least as of the filing of the application). Absent such a disclaimer, it is improper to limit the claims in the manner asserted by the Examiner in this case.

The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 should be reversed because prosecution history of the original patent (U.S. Patent 6,035,286) does not support the Examiner's assertions in the Office Action. Contrary to the Examiner's assertions, the record of the application for the '286 patent does not establish a surrender of subject matter found in the issued patent claims and not in the appealed reissue claims. The only subject matter arguably surrendered during prosecution of the '854 application is the requirement for using a buyback ratio as one of the selection criteria. This limitation alone was sufficient to overcome the prior art presented in the '854 application, and the prosecution history of that application plainly shows that the reference to other aspects of the then-pending claims in connection with a response to a rejection of those claims was for the purpose of demonstrating the presence of the "buyback ratio" limitation in the claims.

Moreover, Appellant submits that the Examiner failed to apply properly the Reissue Recapture Guidelines. Proper application of these Guidelines mandates allowance of the appealed claims. See United States Patent and Trademark Office, *Office Memorandum: Updated Guidance as to Applying the Recapture Rule to Reissue Applications* (Aug. 4, 2003) (hereinafter "the Reissue Recapture Guidelines" or "Guidelines").

IX. SUMMARY OF CLAIMS

Independent claim 21 is drawn to a computer implemented method for reporting on investments, or potential investments. The method comprises receiving a request specifying a selection of stocks from a database of stock information and identifying

stocks from the specified selection having buyback ratios. The buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding. The method further comprises generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company. Dependent claim 22 specifies that the other selection criteria is selected from the group consisting of a price/sales ratio and a price earnings ratio, for each stock. Other aspects of the invention are recited in claims 23-30, which depend, directly or indirectly, from claim 21.

Independent claim 31 recites an apparatus for reporting on investments or potential investments, including components that carry out operations similar to the acts recited in claim 21. Other aspects of the apparatus are recited in claims 32-40, which depend, directly or indirectly, from claim 31.

Independent claim 41 recites a computer program product including computer readable code executable by a computer to report on investments or potential investments. Portions of the code cause or configure the computer to perform operations similar to the acts recited in claim 21. Other aspects of the computer program product are recited in claims 42-50, which depend, directly or indirectly, from claim 41.

Independent claim 51 is drawn to a computer-implemented method for selecting investments or potential investments. The method comprises receiving a request specifying a selection of stocks from a database of stock information, and identifying stocks from the specified selection having buyback ratios. The buyback ratio

corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding. The method further comprises providing an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock. Dependent claim 52 specifies that the selection criteria is selected from the group comprising a price/sales ratio and a price/earnings ratio, for each stock. Other aspects of the invention are recited in claims 53-60, which depend, directly or indirectly, from claim 51.

Independent claim 61 recites an apparatus for selecting investments or potential investments, including components that carry out operations similar to the acts recited in claim 51. Other aspects of the apparatus are recited in claims 62-70, which depend, directly or indirectly, from claim 61.

Independent claim 71 recites a computer program product including computer readable code executable by a computer to select investments or potential investments. Portions of the code cause or configure the computer to perform operations similar to the acts recited in claim 51. Other aspects of the invention are recited in claims 72-80, which depend, directly or indirectly, from claim 71.

Claim 81 is drawn to a computer implemented method for creating a buyback investment report comprising receiving a request specifying a selection of stocks from a database of stock information and selecting criteria for screening the selection of stock wherein the selected criteria consists of a buyback ratio and a company performance ratio. The method further comprises screening the selection of stocks by (i) identifying

the stocks from the specified selection having buyback ratios (the buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding) and (ii) identifying the company performance ratio for each such stock of a subset of the stocks having buyback ratios. The method further comprises ranking stocks within the subset based on the company performance ratio for each stock, the stock having the lowest company performance ratio is ranked the highest.

X. ARGUMENT

- a. **The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 under 35 U.S.C. § 112, ¶ 1, should be reversed because 35 U.S.C. § 112, ¶ 1 does not require that the application disclose more than the use of “at least one of price/sales ratio and a price/earnings ratio” and a “buyback ratio” as criteria for screening a selection of stocks to support the appealed independent claims that are not limited to the specific, disclosed stock selection criteria.**

Claims 21-80 have been rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description. In particular, the Examiner maintains that the specification for the '286 patent only supports claims that recite the use of one of two ratios as screening criteria in addition to the buyback ratio, namely, the price/sales ratio or the price/earnings ratio. The Examiner has asserted that the specification must teach one of ordinary skill in the art other screening criteria to support claims that are not limited to using the price/sales ratio or the price/earnings ratio in combination with the buyback ratio, as screening criteria. However, the specification for the '286 patent explains that the price/sales ratio and the price/earnings ratio are merely two examples

of screening criteria and, accordingly, the specification sufficiently supports claims that are not limited to the particular, disclosed screening criteria.

The first paragraph of 35 U.S.C. § 112 requires that “the specification shall contain the written description of the invention[.]” 35 U.S.C. § 112 (1999). This requires the Appellant “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he was in possession of the invention. The invention is, for purposes of the ‘written description’ inquiry, whatever is now claimed.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991). Thus, the inquiry is “not a question of whether one skilled in the art might be able to construct the patentee’s device from the teachings of the disclosure.... Rather, it is a question whether the application necessarily discloses that particular device.” *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997), *citing Martin v. Mayer*, 823 F.2d 500, 504 (Fed. Cir. 1987) (*quoting Jepson v. Coleman*, 314 F.2d 533, 536 (CCPA 1963)).

An applicant complies with the written description requirement “by describing the invention, with all its claimed limitations[.]” *Id.* “One does that by such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention.” *Id.* “[T]he written description must include all of the limitations ... or the applicant must show that any absent text is necessarily comprehended in the description provided and would have been so understood at the time the patent application was filed.” *Hyatt v. Boone*, 146 F.3d 1348, 1354-55 (Fed. Cir. 1998).

The claimed invention at issue requires the use of at least one selection criterion when generating a report ranking a set of the identified stocks with buyback ratios or when providing an investment selection, as opposed to specific selection criteria (i.e.,

the price/sales ratio or the price/earnings ratio). Independent claims 21, 31, and 41 recite “generating [to generate] a report ranking a set of the identified stocks with buyback ratios based on *at least one other selection criteria associated with performance of a corresponding company,*” and independent claims 51, 61, and 71 recite “providing [to provide] an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting *at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock.*” In both groups, the independent claims require the use of *at least one other selection criteria* when generating a report ranking a set of the identified stocks with buyback ratios or when providing an investment selection selecting at least one of the identified stocks with buyback ratios. These recitations are entirely consistent with, and supported by, the specification for the ‘286 patent, which provides in the context of a discussion of a preferred embodiment, two examples of selection criteria, namely, the price/sales ratio and the price/earnings ratio. See, e.g., ‘286 Patent, col. 3, lines 46-48.

Both the price/sales ratio and the price/earnings ratio for a company represent selection criteria associated with performance of a company. As stated in the section of this application entitled “Description of Related Art,” financial advisers currently rely on a myriad of theories and factors in an attempt to find the best investment vehicles, and the price/sales ratio is one recognized value factor for predicting or analyzing company performance. ‘286 Patent, col. 1, ll. 38-45.

The Examiner relied on certain parts of the specification to conclude that the specification does not teach the use of selection criteria associated with other than the price/sales ratio and the price/earnings ratio in combination with the buyback ratio. The

Examiner, for example, quoted parts of the specification with added emphasis, as follows:

There is, however, no single method that combines the performance of the price/sales ratio with the buyback theory to maximize the performance of a stock investment portfolio. In fact, many experts in the field discount the importance of buyback statistics, and those recognizing its potential have not thought to combine it with a company's price/sales statistics. Therefore, there exists a need for an investment strategy that automatically determines those companies buying back the greatest percentage of their stock while maintaining the lowest price/sales ratio. The results of this method should help investors develop a strategy that combines the benefits of the price/sales ratio value factor with the stock buyback theory. See *Final Office Action* at 2-3 (quoting The '286 Patent, col. 1, ll. 54-67).

The Examiner's emphasis here is misplaced because this excerpt is a part of an explanation of one mode of carrying out the invention and does not limit the scope of the invention. The written description analysis requires consideration of the whole specification as filed. In the preceding paragraph to the quoted excerpt, for example, the description explains that the price/sales ratio is "one ...recognized value factor." '286 Patent, col. 1, ll. 39-45 (emphasis added).

To develop successful investment strategies, financial advisers currently rely on a myriad of theories and factors in an attempt to find the best investment vehicles for their clients. These theories are often based on age-old economic trends or newly developed calculations and stock screening techniques. One such recognized value factor for predicting or analyzing company performance is the price/sales ratio.

* * *

There is, however, no single method that combines the performance of the price/sales ratio with the buyback theory to maximize the performance of a stock investment portfolio. In fact, many experts in the field discount the importance of buyback statistics, and those recognizing its potential have not thought to combine it with a company's price/sales statistics.

'286 patent, col. 1, lines 39-45 and lines 54-60

The Examiner's misplaced emphasis is further evident in the Final Office Action where the Examiner stated:

On page 3 [of the '286 Patent], the specification states that, in the preferred embodiment, the selection criteria consists of a company's buyback ratio and either the price/sales ratio or the price/earnings ratio . . . The specification further stated that **the selection criteria of the present invention has been empirically proven to outperform other selection criteria over the same time period.** *Final Office Action at 3.*

While focusing on "the selection criteria," the Examiner, however, overlooked or gave no value to the introductory phrase "***In the preferred embodiment.***"

In the preferred embodiment, the selection criteria consists of a company's buyback ratio and either the price/sales ratio or the price/earnings ratio. The buyback ratio is the percentage of stocks repurchased by the issuing company over a given period that results in a net percentage decrease of the outstanding shares. Further, companies within the selection of stocks preferably have a market capitalization value to identify the value of the company, and the selection criteria consists of price/sales ratio or price/earnings ratio depending on whether the company value is in the higher or lower half, respectively, of a market capitalization value table preferably stored within database 125.

The selection criteria of the present invention has been empirically proven to outperform other selection criteria over the same time period. For example, testing has shown

'286 patent, col. 3, lines 46-60

Moreover, the specification explicitly states that the "summary and the ... detailed description ***should not restrict the scope*** of the claimed invention. Both provide examples and explanations to enable others to practice the invention." '286 Patent, col. 2, ll. 30-34 (emphasis added).

The written description illustrates an embodiment or implementation of the invention that uses two combinations of selection criteria (i.e., price/sales ratio and

buyback ratio, price/earning ratio and buyback ratio) in selecting investments, but this description does not limit the invention to only these combinations. The description encompasses other combinations provided at least one criteria in these other combinations is the buyback ratio.

For at least these reasons, Appellant submits that the Examiner's rejection of the claims under 35 U.S.C. § 112, ¶ 1, should be reversed.

- b. The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 under 35 U.S.C. § 112, ¶ 1, should be reversed because the specification fully supports claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 in that the disclosed price/sales ratio and price/earnings ratio are examples of the "selection criteria" recited in the claims.**

The Federal Circuit recently reaffirmed the holding in *In re Smythe*, stating that a fair reading of that case supports the proposition that a disclosure naming a species can support later-filed claims to a genus that includes the species if it clearly conveys to one of ordinary skill in the art characteristics common to all species that explain how and why they make the invention operable. *In re Curtis*, 69 U.S.P.Q.2d 1274 (Fed. Cir. 2004) (Federal Circuit held that there is no evidence in the record indicating that persons of ordinary skill in the art had stored in their minds any friction enhanced coating other than microcrystalline wax).

As explained, the specification for the '286 patent clearly conveys to one of ordinary skill in the art characteristics common to all species. In particular, the specification reveals that the inventor discovered that the buyback ratio should be used in combination with at least one other selection criterion that also reflects a company's

performance when selecting investments. Accordingly, Appellant submits that the Examiner's rejection of the claims under 35 U.S.C. § 112, ¶ 1, should be reversed.

- c. **The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-80 under 35 U.S.C. § 112, ¶ 1, should be reversed because there is no explicit disclaimer in the specification that would indicate or even suggest that the Appellant chose to limit the invention to only the use of "at least one of price/sales ratio and a price/earnings ratio" and a "buyback ratio" as criteria for screening a selection of stocks.**
-

As a matter of law, it is improper to limit Appellant's invention to the structures and methods disclosed in the specification. *Cont'l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 418 (1908). The specification need not represent the full scope of the invention, because the specification may disclose embodiments of the invention with a sufficient teaching for any person skilled in the art to make and use the invention without undue experimentation. *See In re Smythe*, 480 F.2d 1376, 1382 (C.C.P.A. 1973).

The Federal Circuit has cautioned against reading limitations into a claim from the preferred embodiment described in the specification, even if it is the only embodiment described, absent a clear disclaimer in the specification. *In re Am. Acad. of Sci. Tech Ctr.*, No. 03-1531, 2004 U.S. App. LEXIS 9382, at *26 (Fed. Cir. May 13, 2004); *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004); *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1325 (Fed. Cir. 2002). But this is precisely what the Examiner has attempted to do in this case.

In *American Academy of Science Tech Center*, the specification made clear that the database simulator was a preferred embodiment, and just one of the variety of conventional protocol procedures. 2004 U.S. App. LEXIS 9382, at *27. As a result, the

specification did not limit the term “indirectly issuing” to the use of a database simulator.
Id.

Similarly, Appellant specifically indicated in the specification when describing the ratios that they may be used when practicing **one embodiment** of the invention:

In the preferred embodiment, the selection criteria consists of a company’s buyback ratio and either the price/sales ratio or the price/earnings ratio.

In the preferred embodiment, the screened stocks are ranked from lowest to highest price/sales ratio or lowest to highest price/earnings ratio.

‘286 patent, col. 3, lines 46-48 and col. 4, lines 49-51 (emphasis added). Nowhere in the specification does the Appellant state “ranking stocks based **ONLY** on the price/sales ratio or price/earning ratio,” as asserted by the Examiner. The specification presents one embodiment of the invention, and Appellant is entitled by law to claim the invention broadly, provided the claim encompasses within its scope an embodiment disclosed in the specification.

In addition to the preferred embodiment, “[o]ther embodiments of the invention will be apparent to those skilled in this art from consideration of the specification and practice of the invention.” ‘286 Patent, col. 5, lines 2-4. The specification explains that “[i]t will be appreciated by those skilled in this art that various modifications and variations can be made to the method and system consistent with the present invention described herein without departing from the spirit and scope of the invention.” ‘286 patent, col. 4, lines 65-68 and col. 5, lines 1-2 (emphasis added).

The specification has disclosed that financial advisers currently rely on a myriad of theories and factors including the price/sales ratio and the price/earnings ratio in an attempt to find the best investment vehicles. ‘286 Patent, col. 1, ll. 38-41. Thus, it

is within the spirit and scope of the invention that Appellant's specification teaches other selection criteria associated with the buyback ratio besides the price/sales ratio and the price/earnings ratio and that Appellant's specification enables those skilled in this art to make and use other embodiments of the invention.

Claim 21 is drawn to a computer implemented method for reporting on investments or potential investments including generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company. In rejecting claim 21 under 35 U.S.C. § 112, ¶ 1, the Examiner took the position that Appellant's specification teaches ranking stocks based on the price/sales ratio or price/earnings ratio only and that the disclosure does not teach ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company. *Final Office Action at 4.*

However, the specification does not limit Appellant's invention to the use of only the price/sales ratio or price/earnings ratio as selection criteria to be combined with the buyback ratio. The specification--*read as a whole*--reveals that Appellant chose to explain ONE IMPLEMENTATION OF THE INVENTION using the price/sales ratio and price/earnings ratio as examples of selection criteria. Because the Examiner failed to consider the specification in its entirety, the Examiner's conclusion in support of the rejection of claim 21 is incorrect. Therefore, Appellant respectfully requests that the rejection of Claim 21 under 35 U.S.C. § 112, ¶ 1 be reversed and the claim allowed.

Claim 51 is drawn to a computer implemented method comprising elements that perform operations similar to the steps described above with reference to claim 21.

Claim 31 is drawn to an apparatus comprising various modules with elements that perform operations similar to the steps described above with reference to claim 21. Claim 41 is drawn to a computer program product for reporting on investments or potential investments comprising elements that perform operations similar to the steps described above with reference to claim 21. Claim 61 is drawn to an apparatus for selecting investments or potential investments comprising elements that perform operations similar to the steps described above with reference to claim 21. Claim 71 is drawn to a computer program product for selecting investments or potential investments comprising elements that perform operations similar to the steps described above with reference to claim 21. Accordingly, it follows that the Examiner's rejection of claims 31, 41, 51, 61 and 71 under 35 U.S.C. § 112, ¶ 1 is incorrect, and Appellant respectfully requests that the rejection of these claims be reversed and the claims allowed.

The Examiner further rejected claims 24-30, 34-40, 44-50, 54-60, 64-70, and 74-80 under 35 U.S.C. § 112, ¶ 1 because they depend on rejected claims 21, 31, 41, 51, 61 and 71, respectively. Because the Examiner's rejection of claims 21, 31, 41, 51, 61 and 71 is incorrect, it follows that the Examiner's rejection of claims 24-30, 34-40, 44-50, 54-60, 64-70, and 74-80 under 35 U.S.C. § 112, ¶ 1 is also incorrect, and Appellant respectfully requests that the rejection of these claims be reversed and the claims allowed.

In rejecting claim 81 under 35 U.S.C. § 112, ¶ 1, the Examiner again took the position that Appellant's specification teaches ranking stocks based on the price/sales ratio or price/earning ratio only and that the disclosure does not teach ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria

associated with performance of a corresponding company. *Final Office Action at 5.* For the same reasons outline above in connection with claim 21, Appellant respectfully requests that the Examiner's rejection of reissue claim 81 be reversed and the claim allowed.

- d. **The rejection of reissue claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 as being an improper recapture of broadened claimed subject matter surrendered in the '854 application must be reversed because (i) the record of the '854 application does not show that the subject matter of the patented claims absent in the reissue claims was surrendered, and (ii) the subject matter arguably surrendered during prosecution of the '854 application is the limitation of using a buyback ratio as one of the selection criteria and this limitation can be found in each of rejected reissue claims.**
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To begin with, the Appellant notes that the Examiner's "improper recapture" rejection is based on the Appellant's arguments made during prosecution of the '854 application and not on any amendments made in that application. Accordingly, the Appellant will limit its arguments herein to address the allegation of an improper recapture based on arguments presented in the '854 application, as there is a separate body of law concerning the improper recapture in reissue applications based on claim amendments made in the parent application that issued.

With respect to the limitations from patent claim 1 absent in the reissue claims, it can be said that the reissue claims are broader than patent claim 1. Appellant does not contest this. However, Appellant submits that the common subject matter of the patent and reissue claims falls squarely within positions taken during the prosecution of the

'854 application. Accordingly, the rejection based on 35 U.S.C. § 251 should be reversed.

Additionally, and alternatively, each of independent reissue claims 21, 31, 41, 51, 61, 71, and 81, includes limitations not found in the original patent claims, making those claims narrower based on these limitations. For this additional reason, the rejection based on 35 U.S.C. § 251 should be reversed.

Lastly, Appellant submits that the Examiner has overlooked the fact that the application includes dependent claims that include all material limitations of the original patent claims as well as additional limitations. It was, therefore, inappropriate to simply lump the dependent claims with their base claims and reject them on the same grounds. Each and every dependent claim should be treated separately. For this additional reason, the rejection of at least some of the dependent claims based on 35 U.S.C. § 251 should be reversed.

i. **Reissue Claims Include All Material Limitations From Patent Claims Used In The '854 Application To Distinguish The Claims**

Under the recapture rule, claims that are broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution are impermissible. *In re Clement*, 131, F.3d 1464, 1468 (Fed. Cir. 1997). Application of the recapture rule begins with a determination of whether and in what way the reissue claims are broader than the original patent claims. *See id.* A reissue claim that does not include a limitation present in the original patent claims is broader in that respect.

Once it is determined that the reissue claims are broader than the patent claims, the recapture doctrine requires consideration of whether these broader aspects relate to

surrendered subject matter (*i.e.*, limitation(s) found in the patent claims and required to be in those claims to gain allowance in the face of a prior art rejection in the parent application). Making this determination requires, according to the U.S. Court of Appeals for the Federal Circuit, a review of the prosecution history for arguments and changes to the claims made in an effort to overcome a prior art rejection. *Id.* at 1469. Although a surrender can result from amendments or arguments, the Examiner has conceded that this application concerns only an alleged surrender as a result of an argument presented.

In connection with the present application, the Appellant concedes that at least some of the reissue claims (*i.e.*, claims 21-80) are broader in some respects vis-a-vis the claims of the '286 patent. Claim 1 of the '286 patent reads as follows:

1. A computer implemented method for creating a buyback investment report comprising the steps of:
 - receiving a request specifying a selection of stocks from a database of stock information;
 - selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,
 - screening the selection of stocks, the screening process including the substeps of
 - identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and
 - identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and
 - ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

Reissue claim 21 in contrast reads as follows:

21. A computer implemented method for reporting on investments, or potential investments, comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;
identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and
generating a report ranking a set of the identified stocks with buyback ratios based on a metric associated with performance of the corresponding company.

While reissue claim 21 is broader than patent claim 1 in some respects because it does not contain all of the limitations from patent claim 1, Appellant notes both claims share the limitation characterizing a "buyback ratio" as "correspond[ing] to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding." Appellant further notes that reissue claim 21 includes at least one limitation not found in patent claim 1, namely the step of "generating a report ranking a set of the identified stocks with buyback ratios based on a metric associated with performance of the corresponding company." Reissue claim 31 is an apparatus claim that includes elements similar to those found in reissue claim 21, and reissue claim 41 is a computer program product claim that includes elements similar to those found in reissue claim 21.

Similarly, reissue claim 51 is broader than patent claim 1 in some respects because it does not contain all of the limitations from patent claim 1. However, both claims share the limitation characterizing a "buyback ratio" as "correspond[ing] to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding." Appellant further notes that reissue claim 51 includes at least one limitation not found in patent claim 1, namely the step of "providing an investment selection selecting at least one of the identified stocks with

buyback ratios and reflecting a metric associated with performance of a company corresponding to the at least one selected stock." Reissue claim 61 is an apparatus claim that includes elements similar to those found in reissue claim 51, and reissue claim 71 is a computer program product claim that includes elements similar to those found in reissue claim 51. Reissue claim 81 refers to the use of "a company performance ratio" as well as a buyback ratio for screening a selection of stocks.

Accordingly, all of the pending reissue claims include the following limitation found in the patent claims: "wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding." This is the only limitation that the Appellant asserted during prosecution of the '854 application to distinguish the claims of that application from the prior art.

During prosecution of the '854 patent, the Office issued one Action on the merits, mailed April 29, 1999. The Appellant filed an Amendment in response to this Office Action on July 23, 1999. A Notice of Allowance was issued thereafter on September 13, 1999. Consequently, the July 23, 1999 Amendment is the only source of amendment and remarks upon which the Examiner can rely to support the pending rejection under 35 U.S.C. § 251.

In that Amendment, a copy of which is attached as Exhibit A, the Appellant made a number of changes to the claims to correct informalities, none of these amendments being of any particular substance. Accordingly, the Examiner has not relied on these Amendments to support the § 251 rejection. Instead, the Examiner relies on the Appellant's arguments presented in the July 23, 1999 Amendment. However, the

Examiner has failed to consider the Appellant's arguments in their entirety and has instead chosen to support the improper rejection on a small excerpt found in the Appellant's remarks section of the July 23, 1999 Amendment.

In particular, the Appellant asserted in the remarks section of the Amendment filed July 23, 1999, that the pending claims were not rendered obvious by the combination of Kiron et al. and the Examiner's Official Notice. With respect to this rejection the Appellant asserted as follows:

The [Examiner's] selected reference does not disclose or suggest the combination of steps recited in claim 1, for example. Systems and methods of the claimed invention allow an investor to establish a particular type of portfolio that yields the benefits associated with a specific category of stocks. This category (*i.e.*, a stock having a buyback ratio) is unique in that the company has begun to buyback stocks at a particular rate. The Applicant has determined that if this repurchase rate is higher than in other stocks its rate of performance is likely to be greater over a given time period. To this end, claim 1, for example, recites a combination of steps including "selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock, " and "identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding."

The Examiner attempts to defeat the patentability of the claimed invention by relying on Kiron et al., but Kiron et al. does not disclose or suggest the combination of steps recited in claim 1, for example. Instead, this reference discloses a system that seeks to establish a price for shares in an open-ended mutual fund to enable continuous trading. [Col. 1, ll. 11-16.] These open-ended mutual funds do not have stocks with buyback ratios because, as the name implies, the shares of these funds remain outstanding and have yet to be repurchased. Kiron et al. does not disclose that their invention is intended to reap the benefits associated with buybacks, as described by the claimed invention. Instead, the newly created fund establishes a [tradable] entity that represents open ended shares. This allows fund managers to buy and sell the shares at an agreed upon price other than that required by the NAV. [See Col. 2, ll. 64 - col. 3, ll. 9.] Applicant asserts that neither the creation of this entity nor any other teaching or suggestion garnered from Kiron et al. would

motivate one to create a portfolio of stocks having a buyback ratio using the combination of steps recited in claim 1.

As evident from this excerpt from the Amendment filed July 23, 1999, the Appellant asserted that the invention recited in the then pending claim 1 was distinguishable from the prior art because of the recited "buyback ratio" used in a stock selection process:

Systems and methods of the claimed invention allow an investor to establish a particular type of portfolio that yields the benefits associated with a specific category of stocks. ***This category (i.e., a stock having a buyback ratio) is unique in that the company has begun to buyback stocks at a particular rate. The Applicant has determined that if this repurchase rate is higher than in other stocks its rate of performance is likely to be greater over a given time period.***

The Appellant went on to explain that this inventive feature is exhibited in at least two steps of then-pending claim 1:

To this end, claim 1, for example, recites a combination of steps including "selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock, " and "identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding."

Note that the beginning of the sentence uses the phrase "to this end." In other words, the Appellant considered (and still does) the use of a buyback ratio in a stock selection process as a main aspect of his innovation in this case, and as such (or to that end) included this aspect in the claims in at least the two quoted steps.

Note also that when the Appellant referred in the July 23, 1999 Amendment to specific recitations found in claim 1, the Appellant preceded those recitations with the phrase "for example": "To this end, claim 1, for example, recites a combination of steps including" This further supports the position that Appellant was relying for

patentability on the recitation in the claims of the buyback ratio and simply wished to highlight, for the Examiner's benefit, where this asserted innovative aspect can be found in the claims themselves.

This focus on the novelty of the use of a buyback ratio in a stock selection process continues in the next paragraph of the July 23, 1999 Amendment quoted above. In that paragraph the Appellant explained that Kiron et al. discloses a system that seeks to establish a price for shares in a open-ended mutual fund to enable continuous trading but that these open-ended mutual funds do not have stocks with buyback ratios because, as the name open-ended mutual funds implies, the shares of these funds remain outstanding and have yet to be repurchased. Accordingly, the Appellant argued that "**Kiron et al. does not disclose that their invention is intended to reap the benefits associated with buybacks.**" Again, the Appellant focused on the use of a buyback ratio in a stock selection process. At the end of this paragraph, the Appellant returned again to this theme: "Applicant asserts that neither the creation of this entity nor any other teaching or suggestion garnered from Kiron et al. would motivate one to create a portfolio of stocks **having a buyback ratio** using the combination of steps recited in claim 1."

The Examiner has apparently taken the position that the Appellant relied on more than simply the recitation of the buyback ratio in distinguishing the patent claims from the prior art in the July 23, 1999 Amendment. The Appellant submits that if this is in fact the Examiner's position, it is simply not one that is supportable by the facts (*i.e.*, the remarks found in the July 23, 1999 Amendment). Rather, the facts clearly indicate that in the July 23, 1999 Amendment, the Appellant relied on the recitation of the buyback

ratio to distinguish the patent claims from the prior art and explained that this innovative feature can be found in the asserted claims.

As explained, all of the pending reissue claims include limitations reflecting the use of a buyback ratio in a stock selection process. Because the Appellant relied in the parent '854 application on the recitation of a buyback ratio only, and this feature is recited in all of the reissue claims 21-81, Appellant submits that the rejection based on Section 251 should be withdrawn.

ii. Reissue Base Claims Include Limitations Making Them Materially Narrower In Some Respects Than The Patent Claims

It is well-settled that the recapture rule may be avoided in circumstances where the reissue claims are materially narrower than the patent claims in some respects even though broader in other respects. *Mentor Corp. v. Coloplast, Inc.*, 998 F.2d 992, 996 (Fed. Cir. 1993). As explained, reissue claim 21 includes at least one limitation not found in patent claim 1, namely the step of “generating a report ranking a set of the identified stocks with buyback ratios based on a metric associated with performance of the corresponding company.” Reissue claim 31 is an apparatus claim that includes elements similar to those found in reissue claim 21, and reissue claim 41 is a computer program product claim that includes elements similar to those found in reissue claim 21.

Similarly, reissue claim 51 includes at least one limitation not found in patent claim 1, namely, the step of “providing an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting a metric associated with performance of a company corresponding to the at least one selected stock.” Reissue claim 61 is an apparatus claim that includes elements similar to those found in reissue

claim 51, and reissue claim 71 is a computer program product claim that includes elements similar to those found in reissue claim 51.

Accordingly, many of the pending reissue claims share a limitation found in the original patent claims (namely, the characterization of the buyback ratio), and they also include additional limitations not found in the original patent claims. Appellant submits that the Examiner failed to consider the existence of these further limitations in rejecting the reissue claims. In fact, the Examiner completely ignored these limitations and the relevance that they play in connection with a rejection based on Section 251. Even though the base reissue claims may be broader than the patent claims in some respects, the rejection under Section 251 should be withdrawn and the reissue claims allowed to pass to issue because the base reissue claims include additional limitations that make those claims materially narrower than the patent claims in other respects.

- e. **The rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 as being an improper recapture of broadened claimed subject matter surrendered in the '854 application must be reversed because the Examiner failed to properly apply the USPTO's Reissue Recapture Guidelines.**

The reissue claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81, include the limitation that the Appellant asserted during prosecution of the '854 application to distinguish the patent claims from the prior art. Accordingly, even under proper application of the Guidelines, the Examiner's rejection of the reissue claims under § 251 should be reversed. Moreover, the rejected reissue claims include a broader form of a limitation recited in the patent claims 1-20, which limitation the Examiner considers to have been asserted during prosecution of the '854 application to distinguish the patent

claims from the prior art. Accordingly, even under the Guidelines, the Examiner's rejection of the reissue claims should be reversed.

The Reissue Recapture Guidelines explain that the test for determining the presence of recapture or lack thereof has three parts: (1) determine whether, and in what aspect(s), the reissue claims are broader than the patents claims; (2) determine whether the broader aspect(s) of the reissued claims relate to surrendered subject matter; and (3) determine whether the reissued claims were materially narrowed in other respects to avoid the recapture rule.

The Reissue Recapture Guidelines continue with the following explanation of the procedure to be applied by examiners for analyzing reissue claims for the possibility of impermissible recapture:

2) When analyzing a reissue claim for the possibility of impermissible recapture, there are two different types of analysis that must be performed. First, the reissue claim must be compared to any claims canceled or amended during prosecution of the original application. It is impermissible recapture for a reissue claim to be as broad or broader in scope than any claim that was canceled or amended in the original prosecution. Claim scope that was canceled or amended is deemed surrendered and therefore barred from reissue. Second, it must be determined whether the reissue claim entirely omits any limitation that was added/argued during the original prosecution to overcome an art rejection. Such an omission in a reissue claim, even if it includes other limitations making the reissue claim narrower than the patent claim in other aspects, is impermissible recapture. (*Painin*) However, if the reissue claim recites a broader form of the key limitation added/argued during original prosecution to overcome an art rejection (and therefore not entirely removing that key limitation), then the reissue claim may not be rejected under the recapture doctrine. (*Eggert*) For example, if the key limitation added to overcome an art rejection was "an orange peel," and the reissue claim instead recites "a citrus fruit peel," the reissue claim may not be rejected on recapture grounds.

Reissue Recapture Guidelines, P. 2.

Step (1) of Reissue Recapture Guidelines

The first step according to the Guidelines is to compare the patent and reissue claims. A word comparison of the claims reveals the following when starting with reissue claim 21 and comparing it to patent claim 1:

A computer implemented method for ~~creating a buyback investment report~~reporting on investments, or potential investments, comprising the steps of: receiving a request specifying a selection of stocks from a database of stock information;~~selecting criteria for screening the selection of stock wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,~~ screening the selection of stocks, the screening process including the ~~substeps of identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding~~ outstanding, and identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on; and generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria ~~the buyback ratio for each stock; and ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest~~ associated with performance of a corresponding company.

As can be seen from this exercise, both claims share the following steps:

receiving a request specifying a selection of stocks from a database of stock information;

identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding;

Unlike patent claim 1, reissue claim 21 recites:

generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company.

In contrast, patent claim 1 recites the following steps not found in reissue claim 21:

selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,

* * *

identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

ranking stocks within the subset based on the price/sales ratio or

price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

Having identified the differences, it is now possible to identify aspects of reissue claim 21 that are broader than patent claim 1 and aspects of reissue claim 21 that are narrower than patent claim 1.

Beginning with the narrower aspects of reissue claim 21, we see that although patent claim 1 recites “ranking stocks within the subset ...,” reissue claim 21 recites “generating a report ranking a set of the identified stocks.” Accordingly, patent claim 1 does not require actually generating a report reflecting a ranking of stocks, and this operation is required by reissue claim 21, thus making claim 21 narrower than patent claim 1, in at least this respect.

Patent claim 1 is otherwise narrower than reissue claim 21. Specifically, patent claim 1 requires the selection of criteria for screening a selection of stocks to consist of a buyback ratio and at least one of a price/sales ratio and a price/earnings ratio. The stocks in the selection having a buyback ratio constitute a subset of the selection, and patent claim 1 calls for the further identification of a price/sales ratio or a price/earnings ratio for each stock in the subset. Finally, for each stock in the subset, patent claim 1 calls for the ranking of stocks with the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

Although reissue claim 21 is broader than patent claim 1 in that reissue claim 21 does not specifically include these narrowing limitations, reissue claim 21 includes a limitation that clearly reflects the use of a buyback ratio and at least one other criteria for screening or selecting stocks when ranking the stocks with a buyback ratio in the generated report:

generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company.

In other words, patent claim 1 requires the identification of stocks in a selection that have a buyback ratio (*i.e.*, form a subset of the selection), the identification of a price/sales ratio or a price/earnings ratio for each stock in the subset, and the ranking of the stocks in the subset based on the price/sales ratio or a price/earnings ratio for each stock. Although reissue claim 21 does not specify the use of a price/sales ratio or a price/earnings ratio in ranking stocks, the claim does specify the use of “at least one other selection criteria associated with performance of a corresponding company.” And as explained in the specification, both the price/sales ratio and the price/earnings ratio are in fact values used to analyze performance of a company. See, e.g., ‘286 patent, col. 1, lines 44-45, and col. 3, lines 52-58.

Consequently, reissue claim 21 is broader than patent claim 1 in that reissue claim 21 does not require the use of a buyback ratio and at least one of a price/sales ratio and a price/earnings ratio as the selection criteria for the screening of stocks. However, reissue claim 21 does require the identification of stocks having a buyback ratio, and the use of “at least one other selection criteria associated with performance of a corresponding company,” which may be, for example, a price/sales ratio or a price/earnings ratio, when ranking the stocks having buyback ratios as part of the generation of a report.

Like reissue claim 21, reissue claims 31, 41, 51, 61, and 71 require the identification of stocks having a buyback ratio, and the use of “at least one other selection criteria associated with performance of a corresponding company.” Similarly,

reissue claim 81 requires the identification of stocks having a buyback ratio, and the use of “a company performance ratio” in selecting stocks.

Step (2) of Reissue Recapture Guidelines

The second step of the reissue recapture test according to the Guidelines is to determine whether the broader aspect(s) of the reissue claims relate to surrendered subject matter. As explained above, the record for the prosecution of the ‘854 application shows that the Appellant made no claim amendments that amount to a surrender and that the only limitation surrendered by virtue of an argument in support of patentability was the requirement for using the buyback ratio when identifying stocks from a selection input for analysis. Appellant asserted that the invention recited in the then-pending claim 1 was distinguishable from the prior art because of the recited “buyback ratio” used in a stock selection process:

Systems and methods of the claimed invention allow an investor to establish a particular type of portfolio that yields the benefits associated with a specific category of stocks. ***This category (i.e., a stock having a buyback ratio) is unique in that the company has begun to buyback stocks at a particular rate. The Applicant has determined that if this repurchase rate is higher than in other stocks its rate of performance is likely to be greater over a given time period.***

The Appellant went on to explain that this inventive feature is exhibited in at least two steps of then-pending claim 1:

To this end, claim 1, for example, recites a combination of steps including “selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock, “ and “identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding.”

This focus on the buyback ratio in a stock selection process continues in the next paragraph of the July 23, 1999, Amendment quoted above. In that paragraph, Appellant explained that Kiron et al. discloses a system that seeks to establish a price for shares in an open-ended mutual fund to enable continuous trading but that these open-ended mutual funds do not have stocks with buyback ratios because, as the name open-ended mutual funds implies, the shares of these funds remain outstanding and have yet to be repurchased. Accordingly, the Appellant argued that “***Kiron et al. does not disclose that their invention is intended to reap the benefits associated with buybacks.***” Again, Appellant focused on the use of a buyback ratio in a stock selection process. At the end of this paragraph, Appellant returned again to this theme: “Applicant asserts that neither the creation of this entity nor any other teaching or suggestion garnered from Kiron et al. would motivate one to create a portfolio of stocks ***having a buyback ratio*** using the combination of steps recited in claim 1.”

Importantly, nowhere in these remarks did that Appellant focus or rely on the use of a price/sales ratio or a price/earnings ratio in the claimed process to distinguish claim 1 from the reference. Accordingly, Appellant submits that, at most, the requirement for using a buyback ratio in the stock selection process was “surrendered” during prosecution of the ‘854 application. As a result, the broader aspect(s) of the reissue claims does **not** relate to the surrendered subject matter. Accordingly, the Examiner’s rejection of the reissue claims under § 251 should be reversed.

Step (3) of Reissue Recapture Guidelines

The third step of the reissue recapture test, according to the Guidelines, requires the determination of whether the reissue claims were materially narrowed in other respects. As explained above, reissue claim 21, for example, has at least one material limitation not found in patent claim 1, *i.e.*, the requirement for generating a report. Moreover, dependent claims 22-30 include additional material limitations not found in patent claim 1, and each of these claims must be treated independently for purposes of the recapture analysis.

The Guidelines also specify that “[w]hen analyzing a reissue claim for the possibility of impermissible recapture, there are two different types of analysis that must be performed” (emphasis in original). “First, the reissue claim must be compared to any claims canceled or amended during prosecution of the original application. It is impermissible recapture for reissue claims to be as broad or broader in scope than any claim that was canceled or amended in the original prosecution.” There were no substantive amendments made during prosecution of the ‘854 application; nor were any claims canceled. Accordingly, the analysis flows to the second step.

According to the second step, “it must be determined whether the reissue claim entirely omits any limitation that was added/argued during the original prosecution to overcome an art rejection. Such an omission in a reissue claim, even if it includes other limitations making the reissue claim narrower than the patent claim in other aspects, is impermissible recapture.” As explained, the only limitation arguably asserted to gain allowance of patent claim 1 is the “buyback ratio” limitation (*i.e.*, “...buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock

repurchased from the public during a specified period and resulting in a decrease of shares outstanding”). This limitation has not been omitted from reissue claims.

In connection with the second part of this test, the Guidelines explain further: “However, if the reissue claim recites a broader form of the key limitation added/argued during original prosecution to overcome an art rejection (and therefore not entirely removing that key limitation), then the reissue claim may not be rejected under the recapture doctrine. For example, if the key limitation added to overcome an art rejection was “an orange peel,” and the reissue claim instead recites “a citrus fruit peel,” the reissue claim may not be rejected on recapture grounds.”

It is Appellant’s position that the only limitation arguably asserted to gain allowance of patent claim 1 is the “buyback ratio” limitation (*i.e.*, “...buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding”). On the other hand, the Examiner apparently contends that Appellant asserted during prosecution of the ‘854 application that patent claim 1 was distinguishable from the prior art because the claim included two limitations, namely: “selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock” and “identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding.”

For the reasons outlined above and explained in detail in the remarks section of the Amendment filed July 23, 1999, Appellant contends that the “selecting criteria” limitation of patent claim 1 was not the basis of Appellant’s argument in distinguishing the claim from Kiron et al. Rather, this limitation was used in the argument concerning Kiron et al. to demonstrate the use of the “buyback ratio” limitation in the claim in the same way that Appellant also referred to the step of “identifying stocks from the specified selection having buyback ratios...” when distinguishing the claim from the prior art.

To this end, claim 1, for example, recites a combination of steps including “selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock, “ and “identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding.”

The “buyback ratio” limitation, on the other hand, formed the basis of Appellant’s argument:

... Systems and methods of the claimed invention allow an investor to establish a particular type of portfolio that yields the benefits associated with a specific category of stocks. This category (*i.e.*, a stock having a buyback ratio) is unique in that the company has begun to buyback stocks at a particular rate. ... The Examiner attempts to defeat the patentability of the claimed invention by relying on Kiron et al., but Kiron et al. does not disclose or suggest the combination of steps recited in claim 1, for example. Instead, this reference discloses a system that seeks to establish a price for shares in an open-ended mutual fund to enable continuous trading. [Col. 1, ll. 11-16.] These open-ended mutual funds do not have stocks with buyback ratios because, as the name implies, the shares of these funds remain outstanding and have yet to be repurchased. Kiron et al. does not disclose that their invention is intended to reap the benefits associated with buybacks, as described by the claimed invention.

Unlike these excerpts from the prosecution of the '854 application, and contrary to the Examiner's positions, nowhere in the prosecution of that application did Appellant assert that the prior art does not disclose the use of a price/sales ratio or a price/earnings ratio.

Even assuming that Appellant's recitation of price/sales ratio or a price/earnings ratio was important to distinguish the '854 application claims from the asserted prior art, the rejection of the reissue claims under § 251 is improper. The reissue claims include a broader form of what the Examiner considers to be a key limitation asserted during prosecution of the '854 application to overcome an art rejection. ***Therefore, the limitation has not been entirely removed from the reissue claim, and, according to the Guidelines, the claim may not be rejected under the recapture doctrine.***

The Examiner contends that the Appellant asserted that the "selecting criteria" limitation of patent claim 1 distinguished the claim from Kiron et al. Without reiterating Appellant's position as to why the Examiner is incorrect, Appellant notes that this limitation appears in a broader form in reissue claim 21. As explained above, reissue claim 21 requires (i) the identification of stocks having a buyback ratio (i.e., "identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding"). Accordingly, the first criterion of the "selecting criteria" limitation of patent claim 1 is found in reissue claim 21. Reissue claim 21 also specifies in the "generating step" the use of one other selection criteria associated with performance of a corresponding company (e.g., a price/sales ratio and a price/earnings ratio) are used in generating a report ranking stocks identified as having buyback ratios. Accordingly, Appellant

submits that even if the Examiner maintains that absence of the “selecting criteria” limitation in reissue claim 21 suggests an impermissible recapture, the Examiner must (as required by the Reissue Recapture Guidelines) consider the reissue claim as a whole, in which case the Examiner will see that the reissue claim in fact includes a broader form of the “selecting criteria” limitation of patent claim 1. For this additional reason, Appellant submits that the Examiner’s rejection of reissue claim 21 should be reversed.

Reissue claims 31, 41, 51, 61, and 71, include limitations similar in scope to reissue claim 21. For the reasons explained above in connection with claim 21, Appellant submits that the Examiner’s rejection of reissue claims 31, 41, 51, 61, and 71 should be reversed. Claims 22-30, 32-40, 42-50, 52-60, 62-70, and 72-80 depend from claims 21, 31, 41, 51, 61, and 71, respectively. For the reasons explained in connection with the independent claims, the rejection of the dependent claims should also be reversed.

Finally, claim 81, unlike the rejected independent claims 21, 31, 41, 51, 61, and 71, includes both a step of “identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding” and a “selecting criteria” step. But unlike patent claim 1, claim 81 recites the step as follows: “selecting criteria for screening the selection of stock wherein the selected criteria consists of a buyback ratio and a company performance ratio.” Appellant submits that this claim is not subject to rejection under 35 U.S.C. § 251, as it very clearly falls within the Reissue Recapture Guidelines’ “orange

peel” example, that is, a reissue claim that recites a broader form of the limitation (at least according to the Examiner) argued during original prosecution to overcome an art rejection (and therefore not entirely removing that limitation). Because the Reissue Recapture Guidelines specify that such a reissue claim may **not** be rejected under the recapture doctrine, Appellant submits that claim 81 should be passed to issue.

IX. CONCLUSION


The final rejection of claims 21-81 under 35 U.S.C. § 112, ¶ 1 as failing to comply with the written description requirement should be reversed because (1) the Examiner failed to consider the specification in its entirety and misunderstood the preferred embodiment of the invention as limiting the scope of the invention; and (2) as a matter of law, it is improper to limit Appellant’s invention to the structures and methods disclosed in the specification, and the Federal Circuit has cautioned against reading limitations into a claim from the preferred embodiment absent a clear disclaimer in the specification.

The final rejection of claims 21, 24-31, 34-41, 44-51, 54-61, 64-71, and 74-81 under 35 U.S.C. § 251 as being an improper recapture should be reversed because (1) the record of the ‘854 application does not show that the broadening aspect in the reissue claims relates to previously surrendered subject matter; (2) the only subject matter that Appellant previously surrendered during prosecution of the ‘854 application is the limitation of using a buyback ratio as one of the selected criteria; and (3) the Examiner failed to properly apply the Reissue Recapture Guidelines. Accordingly, Appellant respectfully requests such reversals.

To the extent any extension of time under 37 C.F.R. § 1.136 is required to obtain entry of this Appeal Brief, such extension is hereby respectfully requested. If there are any fees due under 37 C.F.R. §§ 1.16 or 1.17 which are not enclosed herewith, including any fees required for an extension of time under 37 C.F.R. § 1.136, please charge such fees to our Deposit Account No. 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

By: 
Jeffrey A. Berkowitz
Reg. No. 36,743

Dated: August 6, 2004

Post Office Address (to
which correspondence is
to be sent)

Finnegan, Henderson, Farabow,
Garrett & Dunner, L.L.P.
1300 I Street, N.W.
Washington, D.C. 20005
(202) 408-4000

APPENDIX

1. (Allowed) A computer implemented method for creating a buyback investment report comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;

selecting criteria for screening the selection of stock wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,

screening the selection of stocks, the screening process including the substeps of

identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and

identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

2. (Allowed) The method of claim 1, wherein the database includes a market cap value table for identifying the market cap value of each company, and wherein the

substep of identifying the price/sales ratio or the price/earnings ratio includes the substeps of:

selecting the price/sales ratio for the companies in a top half of market cap table; and

selecting the price/earnings ratio for the companies in a bottom half of market cap table.

3. (Allowed) The method of claim 1, wherein the request specifies the Standard and Poor index, and wherein the screening step includes the substeps of:

searching the Standard and Poor index within the database; and

identifying the companies having buyback ratios in the Standard and Poor index.

4. (Allowed) The method of claim 1, wherein the request specifies the Dow Jones Industrial Average, and wherein the screening step includes the substeps of:

searching the Dow Jones Industrial Average within the database; and

identifying the companies having buyback ratios in the Dow Jones Industrial Average.

5. (Allowed) The method of claim 1, wherein the selection criteria includes a buyback level and the substep of identifying the companies having buyback ratios further includes the substep of:

identifying the companies in accordance with the buyback selection level.

6. (Allowed) The method of claim 5, wherein the buyback selection level is a price value of stocks repurchased.

7. (Allowed) The method of claim 5, wherein the buyback selection level is a numerical volume of stocks repurchased.

8. (Allowed) The method of claim 1, further including the steps of generating an investment report comprising the ranking of stocks; and
outputting the investment report.

9. (Allowed) The method of claim 8, wherein the outputting step of includes the substep of:
storing the investment report on a storage medium.

10. (Allowed) A computerized investment management system for creating an investment report, comprising:

means for receiving a request specifying a selection of stocks from a database of stock information;

means for selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock;

means for screening the selection of stocks including

means for identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and

means for identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

means for ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

11. (Allowed) The system of claim 10, wherein the database includes a market cap value table for identifying the market cap value of each company, and wherein the means for identifying a price/sales ratio or price/earnings ratio includes:

means for selecting the price/sales ratio for the companies in a top half of market cap table; and

means for selecting the price/earnings ratio for the companies in a bottom half of market cap table.

12. (Allowed) The system of claim 10, wherein the request specifies the Standard and Poor index, and wherein the means for screening includes:

means for searching the Standard and Poor index within the database;
and

means for identifying the companies having buyback ratios in the
Standard and Poor index.

13. (Allowed) The system of claim 10, wherein the request specifies the Dow Jones Industrial Average, and wherein the means for screening includes:

means for searching the Dow Jones Industrial Average within the
database; and

means for identifying the companies having buyback ratios in the Dow
Jones Industrial Average.

14. (Allowed) The system of claim 10, wherein the selection criteria includes a buyback level and the means for identifying the companies having buyback ratios further includes:

means for identifying the companies in accordance with the buyback
selection level.

15. (Allowed) The system of claim 14, wherein the buyback selection level is a price value of stocks repurchased.

16. (Allowed) The system of claim 14, wherein the buyback selection level is a numerical volume of stocks repurchased.

17. (Allowed) The system of claim 10, further including:
means for generating an investment report comprising the ranking of
stocks; and
means for outputting the investment report.
18. (Allowed) The system of claim 17, wherein outputting means includes:
means for storing the investment report on a storage medium.
19. (Allowed) A computer readable medium containing instructions on
controlling a data processing station for generating a buyback investment report
comprising:
a receiving module configured to receive a request specifying a selection
of stocks from a database of stock information;
a selecting module configured to select criteria for screening the selection
of stock, wherein the selected criteria consists of a buyback ratio and at least one of
price/sales ratio and a price/earnings ratio for each stock;
a screening module configured to screen the selection of stocks
including:
a first identifying module configured to identify the stocks from the
specified selection having buyback ratios, wherein a buyback ratio
corresponds to a percentage of issued stock repurchased from the public

during a specified period and resulting in a decrease of shares outstanding, and

a second identifying module configured to identify a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

a ranking module configured to rank stocks within the subset based on the price/sales or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

20. (Allowed) The computer program product of claim 19, wherein the database includes a market cap value table for identifying the market cap value of each company, and wherein the second identifying module includes:

a first selecting module configured to select the price/sales ratio for the companies in a top half of market cap table; and

a second selecting module configured to select the price/earnings ratio for the companies in a bottom half of market cap table.

21. (Previously Amended) A computer implemented method for reporting on investments, or potential investments, comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;

identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and

generating a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company.

22. (Previously Amended) The method of claim 21, wherein the selection criteria is selected from the group consisting of a price/sales ratio and a price/earnings ratio, for each stock.

23. (Previously Amended) The method of claim 22, wherein the database includes a market cap value table for identifying a market cap value of the company, and wherein the step of generating a report includes the substeps of:

selecting the price/sales ratio for the company in a top half of market cap table; and

selecting the price/earnings ratio for the] company in a bottom half of market cap table.

24. (Previously Presented) The method of claim 21, further comprising: accessing a Standard and Poor index; and wherein the step of identifying stocks includes the substep of

identifying any companies having buyback ratios based on information from the Standard and Poor index.

25. (Previously Presented) The method of claim 21, further comprising:
accessing a database with information corresponding to a Dow Jones Industrial Average, and
wherein the step of identifying stocks includes the substep of
identifying any companies having buyback ratios based on the Dow Jones Industrial Average.

26. (Previously Presented) The method of claim 21, wherein the step of identifying stocks based on information in the Dow Jones industrial Average database includes the substep of:
identifying the stocks in accordance with a buyback selection level.

27. (Previously Presented) The method of claim 26, wherein the buyback selection level is a price value of the stocks repurchased.

28. (Previously Presented) The method of claim 26, wherein the buyback selection level is a numerical volume of the stocks repurchased.

29. (Previously Presented) The method of claim 21, further comprising the step of:

outputting the report.

30. (Previously Presented) The method of claim 21, further comprising the step of:

storing the report on a storage medium.

31. (Previously Amended) An apparatus for reporting on investments, or potential investments, comprising:

a receiving module configured to receive a request specifying a selection of stocks from a database of stock information;

an identifying module configured to identify stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and

a generating module configured to generate a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company.

32. (Previously Amended) The apparatus of claim 31, wherein the selection criteria is selected from the group consisting of a price/sales ratio and a price/earnings ratio, for each stock.

33. (Previously Amended) The apparatus of claim 32, wherein the database includes a market cap value table for identifying a market cap value for the company, and wherein the generating module configured to generate a report includes:

a selecting module configured to select the price/sales ratio for the company in a top half of market cap table; and

a selecting module configured to select the price/earnings ratio for the company in a bottom half of market cap table.

34. (Previously Presented) The apparatus of claim 31, further comprising:

an accessing module configured to access a Standard and Poor index; and wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on information from the Standard and Poor index.

35. (Previously Presented) The apparatus of claim 31, further comprising:

an accessing module configured to access a database with information corresponding to a Dow Jones Industrial Average, and

wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on the Dow Jones Industrial Average.

36. (Previously Presented) The apparatus of claim 31, wherein the identifying module configured to identify stocks based on information in the Dow Jones Industrial Average database includes:

an identifying module configured to identify the stocks in accordance with a buyback selection level.

37. (Previously Presented) The apparatus of claim 36, wherein the buyback selection level is a price value of the stocks repurchased.

38. (Previously Presented) The apparatus of claim 36, wherein the buyback selection level is a numerical volume of the stocks repurchased.

39. (Previously Presented) The apparatus of claim 31, further comprising:
an outputting module configured to output the report.

40. (Previously Presented) The apparatus of claim 31, further comprising:
a storing module configured to store the report on a storage medium.

41. (Previously Amended) A computer program product comprising:
a computer usable medium having computer readable code embodied therein for reporting on investments, or potential investments, the computer usable medium comprising:

a receiving module configured to receive a request specifying a selection of stocks from a database of stock information;

an identifying module configured to identify stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease for shares outstanding; and

a generating module configured to generate a report ranking a set of the identified stocks with buyback ratios based on at least one other selection criteria associated with performance of a corresponding company.

42. (Previously Amended) The computer usable medium of claim 41, wherein the selection criteria is selected from the group consisting of a price/sales ratio and a price/earnings ratio, for each stock.

43. (Previously Amended) The computer usable medium of claim 42, wherein the database includes a market cap value table for identifying a market cap value of the company, and wherein the generating module configured to generate a report includes:

a selecting module configured to select the price/sales ratio for the company in a top half of market cap table; and

a selecting module configured to select the price/earnings ratio for the company in a bottom half of market cap table.

44. (Previously Presented) The computer usable medium of claim 41, further comprising:

an accessing module configured to access a Standard and Poor index;

and wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on information from the Standard and Poor index.

45. (Previously Presented) The computer usable medium of claim 41, further comprising:

an accessing module configured to access a database with information corresponding to a Dow Jones Industrial Average, and

wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on the Dow Jones Industrial Average.

46. (Previously Presented) The computer usable medium of claim 41, wherein the identifying module configured to identify stocks based on information in the Dow Jones Industrial Average database includes:

an identifying module configured to identify the stocks in accordance with a buyback selection level.

47. (Previously Presented) The computer usable medium of claim 46, wherein the buyback selection level is a price value of the stocks repurchased.

48. (Previously Presented) The computer usable medium of claim 46, wherein the buyback selection level is a numerical volume of the stocks repurchased.

49. (Previously Presented) The computer usable medium of claim 41, further comprising:

an outputting module configured to output the report.

50. (Previously Presented) The computer usable medium of claim 41, further comprising:

a storing module configured to store the report on a storage medium.

51. (Previously Amended) A computer implemented method for selecting investments or potential investments, comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;

identifying stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and

providing an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock.

52. (Previously Amended) The method of claim 51, wherein the selection criteria is selected from the group comprising a price/sales ratio and a price/earnings ratio, for each stock.

53. (Previously Amended) The method of claim 52, wherein the database includes a market cap value table for identifying a market cap value of the company and wherein the step of providing an investment selection includes the substeps of
selecting the price/sales ratio for the company in a top half of the market cap table; and
selecting the price/earnings ratio for the company in a bottom half of market cap table.

54. (Previously Presented) The method of claim 51, further comprising:
accessing a Standard and Poor index; and wherein the step of identifying stocks includes the substep of
identifying any companies having buyback ratios based on information from the Standard and Poor index.

55. (Previously Presented) The method of claim 51, further comprising:
accessing a database with information corresponding to a Dow Jones Industrial Average, and
wherein the step of identifying stocks includes the substep of

identifying any companies having buyback ratios based on the Dow Jones Industrial Average.

56. (Previously Presented) The method of claim 51, wherein the step of identifying stocks based on information in the Dow Jones industrial Average database includes the substep of:

identifying the stocks in accordance with a buyback selection level.

57. (Previously Presented) The method of claim 56, wherein the buyback selection level is a price value of the stocks repurchased.

58. (Previously Presented) The method of claim 56, wherein the buyback selection level is a numerical volume of the stocks repurchased.

59. (Previously Presented) The method of claim 51, further comprising the step of:

outputting a report.

60. (Previously Presented) The method of claim 51, further comprising the step of:

storing a report in a storage medium.

61. (Previously Amended) An apparatus for selecting investments or potential investments, comprising:

a receiving module configured to receive a request specifying a selection of stocks from a database of stock information;

an identifying module configured to identify stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and

a generating module configured to provide an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock.

62. (Previously Amended) The apparatus of claim 61, wherein the selection criteria is selected from the group comprising a price/sales ratio and a price/earnings ratio, for each stock.

63. (Previously Amended) The apparatus of claim 62, wherein the database includes a market cap value table for identifying a market cap value of the company, and wherein the generating module configured to generate a report includes:

a selecting module configured to select the price/sales ratio for the company in a top half of market cap table; and

a selecting module configured to select the price/earnings ratio for the company in a bottom half of market cap table.

64. (Previously Presented) The apparatus of claim 61, further comprising:
an accessing module configured to access a Standard and Poor index;
and wherein the identifying module configured to identify stocks includes:
an identifying module configured to identify any companies having a
buyback ratios based on information from the Standard and Poor index.

65. (Previously Presented) The apparatus of claim 61, further comprising:
an accessing module configured to access a database with information
corresponding to a Dow Jones Industrial Average, and
wherein the identifying module configured to identify stocks includes:
an identifying module configured to identify any companies having
buyback ratios based on the Dow Jones Industrial Average.

66. (Previously Presented) The apparatus of claim 61, wherein the identifying
module configured to identify stocks based on information in the Dow Jones Industrial
Average database includes:
an identifying module configured to identify the stocks in accordance with
a buyback selection level.

67. (Previously Presented) The apparatus of claim 66, wherein the buyback selection level is a price value of the stocks repurchased.

68. (Previously Presented) The apparatus of claim 66, wherein the buyback selection level is a numerical volume of the stocks repurchased.

69. (Previously Presented) The apparatus of claim 61, further comprising:
an outputting module configured to output the report.

70. (Previously Presented) The apparatus of claim 61, further comprising:
a storing module configured to store the report on a storage medium.

71. (Previously Amended) A computer program product comprising:
a computer usable medium having computer readable code embodied therein for selecting investments or potential investments, the computer usable medium comprising:

a receiving module configured to receive a request specifying a selection of stocks from a database of stock information;

an identifying module configured to identify stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of shares of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding; and

a generating module configured to provide an investment selection selecting at least one of the identified stocks with buyback ratios and reflecting at least one other selection criteria associated with performance of a company corresponding to the at least one selected stock.

72. (Previously Amended) The computer usable medium of claim 71, wherein the selection criteria is selected from the group comprising a price/sales ratio and a price/earnings ratio, for each stock.

73. (Previously Amended) The computer usable medium of claim 72, wherein the database includes a market cap value table for identifying a market cap value of the company, and wherein the generating module configured to generate a report includes:

a selecting module configured to select the price/sales ratio for the company in a top half of market cap table; and

a selecting module configured to select the price/earnings ratio for the company in a bottom half of market cap table.

74. (Previously Presented) The computer usable medium of claim 71, further comprising:

an accessing module configured to access a Standard and Poor index; and wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on information from the Standard and Poor index.

75. (Previously Presented) The computer usable medium of claim 71, further comprising:

an accessing module configured to access a database with information corresponding to a Dow Jones Industrial Average, and

wherein the identifying module configured to identify stocks includes:

an identifying module configured to identify any companies having buyback ratios based on the Dow Jones Industrial Average.

76. (Previously Presented) The computer usable medium of claim 71, wherein the identifying module configured to identify stocks based on information in the Dow Jones Industrial Average database includes:

an identifying module configured to identify the stocks in accordance with a buyback selection level.

77. (Previously Presented) The computer usable medium of claim 76, wherein the buyback selection level is a price value of the stocks repurchased.

78. (Previously Presented) The computer usable medium of claim 76, wherein the buyback selection level is a numerical volume of the stocks repurchased.

79. (Previously Presented) The computer usable medium of claim 71, further comprising:

an outputting module configured to output a report.

80. (Previously Presented) The computer usable medium of claim 79, further comprising:

a storing module configured to store the report on a storage medium.

81. (Previously Added) A computer implemented method for creating a buyback investment report comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;

selecting criteria for screening the selection of stock wherein the selected criteria consists of a buyback ratio and a company performance ratio,

screening the selection of stocks, the screening process including the substeps of

identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and

identifying the company performance ratio for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

ranking stocks within the subset based on the company performance ratio for each stock, wherein the stock having the lowest company performance ratio is ranked the highest.



Attorney Docket No. 07027.0001

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:)

David R. FREID)

Serial No.: 09/030,854)

Group Art Unit: 2761

Filed: February 26, 1998)

Examiner: Retta, Y.

For: A COMPUTERIZED SYSTEM AND METHOD FOR CREATING
A BUY BACK STOCK INVESTMENT REPORT

Assistant Commissioner for Patents
Washington, D.C. 20231

Sir:

AMENDMENT

In response to the Office Action dated April 29, 1999, the period of response to which extends to July 29, 1999 please amend the application as follows.

IN THE CLAIMS

1. (Amended) A computer implemented method for creating a buyback investment report comprising the steps of:

receiving a request specifying a selection of stocks from a database of stock information;

selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,

LAW OFFICES

NEGAN, HENDERSON,
ARABOW, CARRETT,
& DUNNER, L.L.P.
300 I STREET, N. W.
WASHINGTON, DC 20005
202-408-4000

screening the selection of stocks, the screening process including the substeps of

identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and

identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

2. (Amended) The method of claim 1, wherein the database includes a market cap value table for identifying the market cap value of each company, and wherein the substep of identifying [a] the price/sales ratio or the price/earnings ratio includes the substeps of

selecting the price/sales ratio for the companies in a top half of market cap table; and

selecting the price/earnings ratio for the companies in a bottom half of market cap table.

10. (Amended) A computerized investment management system for creating an investment report, comprising:

means for receiving a request specifying a selection of stocks from a database of stock information;

means for selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock,

means for screening the selection of stocks including

means for identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding, and

means for identifying a price/sales ratio or price/earnings ratio in the group for each such stock of a subset of the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

means for ranking stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

11. (Amended) The system of claim 10, wherein the database includes a market cap value table for identifying the market cap value of each company, and wherein

the means for identifying a price/sales ratio or price/earnings ratio includes
means for selecting the price/sales ratio for the companies in a top half of
market cap table; and
means for selecting the price/earnings ratio for the companies in a bottom
half of market cap table.

19. A computer program product for generating a buyback investment report
comprising:

a receiving module configured to receive a request specifying a selection
of stocks from a database of stock information;

a selecting module configured to select criteria for screening the selection
of stock, wherein the selected criteria consists of a buyback ratio and at least
one of price/sales ratio and a price/earnings ratio for each stock,

a screening module configured to screen the selection of stocks including

a first identifying module configured to identify the stocks from the
specified selection having buyback ratios, wherein a buyback ratio
corresponds to a percentage of issued stock repurchased from the public
during a specified period and resulting in a decrease of shares
outstanding, and

a second identifying module configured to identify a price/sales
ratio or price/earnings ratio in the group for each such stock of a subset of

the stocks having buyback ratios, wherein the subset is determined based on the buyback ratio for each stock; and

a ranking module configured to rank stocks within the subset based on the price/sales ratio or price/earnings ratio for each stock, wherein the stock having the lowest price/sales ratio or price/earnings ratio is ranked the highest.

REMARKS

In the Office Action, the Examiner rejected claims 1-20 under 35 U.S.C. §103(a) as unpatentable over Kiron et al. in view of Official Notice.

Applicant has amended claims 1, 2, 10, 11, and 19 to correct minor informalities. Applicant respectfully traverses the rejections because the Examiner has failed to provide a prima facie case for establishing obviousness under §103. "To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure." In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir.1991).

The Examiner selected reference does not disclose or suggest the combination of steps recited in claim 1, for example. Systems and methods of the claimed invention

LAW OFFICES

INNEGAN, HENDERSON,
FARABOW, GARRETT,
& DUNNER, L.L.P.
1300 I STREET, N. W.
WASHINGTON, DC 20005
202-408-4000

allow an investor to establish a particular type of portfolio that yields the benefits associated with a specific category of stocks. This category (*i.e.*, a stock having a buyback ratio) is unique in that the company has begun to buyback stocks at a particular rate. The Applicant has determined that if this repurchase rate is higher than in other stocks its rate of performance is likely to be greater over a given time period. To this end, claim 1, for example, recites a combination of steps including "selecting criteria for screening the selection of stock, wherein the selected criteria consists of a buyback ratio and at least one of price/sales ratio and a price/earnings ratio for each stock," and "identifying the stocks from the specified selection having buyback ratios, wherein a buyback ratio corresponds to a percentage of issued stock repurchased from the public during a specified period and resulting in a decrease of shares outstanding."

The Examiner attempts to defeat the patentability of the claimed invention by relying on Kiron et al., but Kiron et al. does not disclose or suggest the combination of steps recited in claim 1, for example. Instead, this reference discloses a system that seeks to establish a price for shares in a open-ended mutual fund to enable continuous trading. [Col. 1, ll. 11-16.] These open-ended mutual funds do not have stocks with buyback ratios because, as the name implies, the shares of these funds remain outstanding and have yet to be repurchased. Kiron et al. does not disclose that their invention is intended to reap the benefits associated with buybacks, as described by the claimed invention. Instead, the newly created fund establishes a tradeable entity that represents open ended shares. This allows fund managers to buy and sell the shares at an agreed upon price other than that required by the NAV. [See Col. 2, ll. 64 - col. 3, ll.

9.] Applicant asserts that neither the creation of this entity nor any other teaching or suggestion garnered from Kiron et al. would motivate one to create a portfolio of stocks having a buyback ratio using the combination of steps recited in claim 1.

Applicant also respectfully challenges the Examiner's assertion of Official Notice, and requests that the Examiner cite a prior art reference, as required by MPEP 2144.04 in support of the Examiner's position. [See MPEP 2144.04.] Further, Applicant asserts that even if the Examiner can provide a reference that discloses calculating buyback ratios was known prior to the claimed invention, he has made no showing that the combination of this knowledge with Kiron et al. would lead a person of ordinary skill in the art to arrive at the combination of steps recited in claim 1. Applicant asserts that the only motivation for making this leap is his own application, amounting to an exercise in impermissible hindsight. The Federal Circuit recently stated, "[t]o prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness." In re Rouffet, 149 F.3d 1350,1357 (Fed. Cir. 1998.) The Court further stated:

if identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be "an illogical and inappropriate process by which to determine patentability.

Id. at 1357. (citations omitted.)

Claims 10 and 19, having recitations similar to claim 1 are also allowable over the cited art. Claims 2-9, 11-18, and claim 20, at least by virtue of their dependence on claims 1, 10, and 19, respectively, are also allowable.

In view of the above foregoing remarks, Applicant respectfully requests that the Examiner reconsider and withdraw the rejections under 35 U.S.C. § 103 and allow the pending claims.

If there are any fees due in connections with this Amendment, please charge them to our deposit account, 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

By: *Walter J. Hutzliff* Reg. No. 24,914
for Jeffrey A. Berkowitz
Reg. No. 36,743

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